

ORIGINAL

BEFORE THE  
POSTAL RATE COMMISSION  
WASHINGTON, D.C. 20268-0001

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POSTAL RATE COMMISSION  
OFFICE OF THE SECRETARY

SPECIAL SERVICES FEES AND CLASSIFICATIONS, 1996)

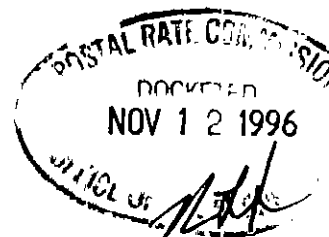
Docket No. MC96-3

NASHUA PHOTO INC., MYSTIC COLOR LAB, AND SEATTLE FILMWORKS, INC.  
OBJECTION TO INTERROGATORY USPS/NMS-T1-42  
(November 12, 1996)

Nashua Photo Inc. ("Nashua"), Mystic Color Lab ("Mystic"), and Seattle FilmWorks, Inc. ("Seattle") (hereinafter collectively "NMS"), hereby object to interrogatory no. 42, propounded by the Postal Service (USPS/NMS-T1-42) to the extent that it seeks sensitive, commercial, and proprietary information, and to the extent that it is unduly burdensome. The interrogatory reads as follows:

42. Please refer to your testimony at page 15, fn. 15. Please describe the percentage of business reply mail pieces, with the associated weight for each, received by Nashua, Mystic and Seattle, which have the following contents:
- (a) a roll of 35mm 24 exposure film;
  - (b) a roll of 35mm 36 exposure film;
  - (c) each roll described in (a) and (b) inside its respective plastic canister;
  - (d) 2 rolls of 35mm 24 exposure film;
  - (e) 2 rolls of 35mm 36 exposure film;
  - (f) each roll described in (d) and (e) inside its respective plastic canister;
  - (g) a disposable camera with exposed film;
  - (h) each piece described in (a) through (g) with a cash payment enclosed.
  - (i) each package described above in (a) through (g) with a payment enclosed which includes coins.

The interrogatory seeks 162 distinct pieces of information, including 81 relative percentages of incoming orders and 81 weights of incoming orders. The Postal Service identified nine types of orders specified in 42(a) through (g) (including two subparts each for (c) and (f)), and then those nine types of orders with the specified changes to the order



specified in (h) and again with the changes in (i), for a total of 27 for each of the three companies, Nashua, Mystic and Seattle. These questions are repeated for both percentages and for weight.

**With respect to the weight information requested:**

Neither Mystic nor Seattle maintain any information on weights concerning individual BRM as requested. Their postage due for their incoming BRM is computed on a weight averaging basis based on the weight of sacks which relies on a quarterly sample. When the quarterly sample is taken, the weight of each piece (and the rate) are duly recorded, but no envelope is opened and the contents are not recorded. On the other hand, Nashua does have weights of these items, and therefore it is Nashua's weights that are being provided. The Nashua weights would appear to be representative of all three mailers, varying only by any difference on the weight of the Nashua BRM envelope versus the weight of the Mystic and Seattle envelopes. In order to facilitate any testing that the Postal Service may want to do, copies of BRM envelopes of Nashua, Mystic and Seattle are being furnished as Library Reference NMS-3.

To the extent that the question requests the weight of each of the nine specific items identified in 42(a) through (g) (and subparts), it should be pointed out that it seeks information on contents of the envelopes which are hypothetical, as they are not actually received by these firms as specified. Orders vary, but usually consist of more than the exposed film and plastic canister (or disposable camera); *e.g.*, order form, coupons, special promotions, etc. Accordingly, in an effort to be responsive, certain assumptions had to be made about the orders.

With respect to interrogatory 42(g), many types of disposable cameras are on the market, and these have different weights.

With respect to 42(h) and (i), the question does not specify any specific "cash payment" or "coins." Accordingly, if the Postal Service wanted to select various amounts of cash and weigh them, it is free to do so and add the weight of those amounts to the amounts provided in response to these interrogatories. None of the firms distinguish between cash payments in bills and cash payments in coins.

Beyond this attempt to be responsive, these firms do not maintain the data in the form requested, and generating it would be onerous and burdensome. Moreover, the information requested, which would be duplicative of the information being provided from Nashua, is not relevant to any reasonable inquiry of the Postal Service, so as to justify compelling Mystic and Seattle to expend the time necessary to compile this information (which can be easily compiled by the Postal Service itself). To the extent that the Postal Service would require such a duplicative and unduly burdensome effort, the interrogatory is objectionable.

**With respect to the percentages requested:**

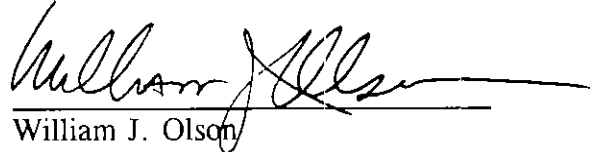
Responses to the portions of this interrogatory seeking percentages of incoming orders would reveal the specific product mix of each of the three competing companies. For example, the number of rolls per order is considered to be confidential and proprietary. Further, the number of disposable camera orders, a growing share of the market for through-the-mail film processors, is likewise extremely sensitive. Also, the method of payment used by customers is considered proprietary.

As stated previously in a prior objection, as well as in the testimony of Dr. John Haldi (NMS-T1), Nashua, Mystic, and Seattle are extremely competitive with each other, and information is shared with legal counsel and their expert witness on the basis of specific assurances about the protection of that confidential information from disclosure, both to the public and to their co-participants in this effort.

As a further complication, Nashua receives both Business Reply Mail and customer prepaid mail, and such information cannot be provided for BRM orders only, as the interrogatory seeks, without undue burden.

The percentage of orders is not pertinent to any issue in this case. Nevertheless, Nashua, Mystic and Seattle will be willing to offer such responsive information as they have in their possession to the Postal Service on a confidential basis, subsequent to the receipt of an executed non-disclosure agreement.

Respectfully submitted,

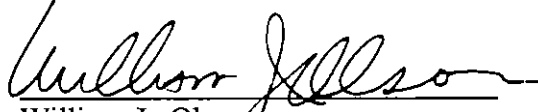
A handwritten signature in black ink, appearing to read "William J. Olson", is written over a horizontal line.

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Counsel for Nashua Photo Inc.,  
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Seattle FilmWorks, Inc.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with Section 12 of the Rules of Practice.

  
William J. Olson

November 12, 1996